

By Mark Gunderman

Talk about the enormous costs and various components of health care reform often misses an important point, according to Seventh District US. Rep. Dave Obey (D-Wausau).

"All of these questions on costs pale in comparison to the cost of the existing system now. We have tried it the way opponents of change wanted it for the past 70 years, and it has nearly bankrupted us."

Obey sat down with Herald reporters for an interview Tuesday during a day-long trip back to his district before returning to Washington for Veterans Day events. The House passed a comprehensive health care reform package late Saturday and Obey has made clear his enthusiastic support for it.

He said the House-passed plan would cost around \$920 billion over 10 years. While that cost is significant, Obey said it has to be compared with the trends in health care costs.

Obey noted that when President Harry Truman tried to reform the health care system with universal coverage, health care costs were about four percent of national income. When President Richard Nixon offered reform, it was eight percent. Today the costs are 16 percent of income.

"If we don't do something, it will go to 20 to 22 percent," he said.

"There's also a moral cost. There are over 40 million people who don't have health care."

Basically, Obey said the benefits of the reform as passed by the House outweigh the costs.

"The bill will do two important things. One, it makes affordable health insurance available to another 33 million citizens, bringing health coverage to almost 96 percent of Americans. Two, it changes the rules of the game for insurance companies, making sure that patients, not profits, come first," Obey said.

He tried to dispel two misconceptions about the plan. One is that it's a government takeover of health care.

"It tries to build on the existing private system of health care. It expands coverage and changes the rules of the game for health insurance companies," he said.

"And it is fully paid for in the eyes of the Congressional Budget Office."

The plan is funded partly by higher income taxes on individuals making more than \$500,000 a

year and couples making more than \$1 million. It is also funded by over \$400 billion in cuts to Medicare and Medicaid.

However, Obey emphasized that those are not cuts in benefits to recipients of those government programs. The cuts come in reducing fraud and duplication in what is paid out to service providers. For example, duplicate tests are sometimes ordered as a person gets referred to other doctors.

Obey said there are two problems with Medicare that the bill tries to address. One is doctors and health systems that find ways to provide coverage at lower cost are not rewarded for it. Another is that health care providers are paid for the procedures they do, creating incentive to order multiple procedures.

“We will have a new way of reimbursing for Medicare based on outcomes,” Obey said.

Critics of the health care plan point to the higher taxes, plus requirements that take money out of people’s pockets. For example, people without health care insurance that can afford it will have to get insurance or pay a penalty of 2.5 percent of income. Businesses with payrolls over \$500,00 annually will be required to offer health insurance or pay a penalty.

Critics worry that taking money out of the pockets of individuals and businesses puts a drag on the economy at the wrong time. But Obey says the benefits outweigh the costs.

“If you have insurance you pay \$1,000 a year more to cover people who are getting care but don’t have insurance,” he said. “They try to shift the costs to paying customers.”

By insuring more people, health care providers will not have to pass those extra costs on to others, which will help control costs.

And the plan will address the moral problem of health care in the country by giving more people coverage, and stopping insurance companies from denying coverage based on pre-existing conditions or canceling people who get sick, Obey said.

“People have to have coverage, but many people can’t afford it. There’s lots in the bill to help them pay for it, by setting up a system of shared responsibility,” he said.

The House bill includes the much-debated “public option” that sets up a government insurance program to compete against private insurers. Obey noted that criticism of that provision comes from two opposite directions. It is denounced as a “poor man’s option” that no one would want and at the same time denounced as something that’s going to drive private health insurance plans out of business.

“They have us falling off both sides of the horse at the same time,” Obey said.

He admitted that there is still much that is not known.

“I don’t think anyone has a firm handle on what future costs will be,” he said. However, he again pointed out how costs are currently skyrocketing under the status quo.

Obey would not predict that in 10 years people would be paying less for health care. They will probably still be paying more, but the attempt is to slow the growth in health care costs.

The public infrastructure costs of administering the plan and ensuring compliance are uncertain.

“I don’t think it will be much. This is still mostly a private plan.”

Obey admits that the plan that just passed the House will not pass the Senate, which will certainly have its own changes.

Still, he sees health care reform as a must, with the costs of the House and Senate plans being talked about being exceeded by the benefits they would bring.

Click [here](#) to see related video.

Original article is located [here](#) .